



My Next Steps:

Separation Pay Eligibility and Considerations



Question

What financial supports may be provided to my service member if he or she is separating from the military?



Answer

Understanding post-separation financial benefits can help you and your family better budget for your post-military life. Circumstances surrounding your service member's separation will determine what, if any, separation benefits are offered when transitioning from the military. There are many reasons for service members to separate from service. After fulfilling service commitments, many people choose to leave active duty to pursue civilian employment, enroll in college or move on to other post-military ventures. Most service members who choose to separate will not be eligible for separation pay benefits.

Involuntary separation is the term used when a service member is denied reenlistment or continuation on active duty and must leave active duty service. If your service member will be involuntarily separating from the military, there is a greater likelihood that he or she will be eligible for separation pay. Your service member's eligibility will depend on several factors. In most situations, your service member will have to meet the following criteria to be eligible for separation pay benefits:

1. Received an honorable discharge,
2. Ordered to leave service due to a reduction in force,
3. Have served for a specific number of years, and
4. Committed to serve in the Reserve Component of the military.

If the separation is due to misconduct or the inability to meet physical fitness or performance requirements, your service

member may not be eligible for separation pay benefits. Talk with your service member to understand the circumstances surrounding his or her separation to better understand why he or she may or may not qualify for separation pay.

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Although your service member may have been notified that he or she was at risk for separation, the news that your family *must* leave the military may be unexpected and disappointing. If this transition from the military is coming sooner than expected, creating a plan now is even more important. A transition plan is also a must for those service members who choose to separate. So, where should you begin?

The local installation finance office is a useful starting point to get answers about separation pay eligibility. The Defense Finance and Accounting Service website can also provide you with an overview of separation pay information. Most separation pay is computed in one of two ways: Full Separation Pay and Half Separation Pay. Understanding which computation applies to your service member will help you know his or her separation benefit payment. Encourage

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Resources at a Glance

• [Locate](#) a finance office

• [Defense Finance and Accounting Service](#)

• Separation Payments [Information](#)



Answer (cont.)

your service member to visit the local finance office where a representative can help you calculate or validate the amount of separation pay that will be authorized to be paid to your service member.

Electing to accept separation pay benefits may also require that your service member commits to additional service time in the Reserve Component. Discuss what that commitment would mean for your family and if it meets your long-term goals. If continued military service interests your family, meet with a Ready Reserve Career Counselor or military recruiter to verify his or her eligibility to enter into the Reserve Component and the time commitment that will be required.

If your service member is not entitled to separation pay, he or she may be eligible to receive unemployment benefits. In fact, all separating service members should apply for unemployment benefits if there will be a gap in employment between military service and a civilian job.

Unemployment benefits may not cover all of your expenses, but these benefits can help until your service member finds post-military employment. If you are currently employed and plan to relocate after your service member's military separation, as a military spouse, you may also be eligible to apply for unemployment compensation. To learn more, review the MySTeP videos titled, Unemployment Compensation for Transitioning Service Members and Unemployment Benefits for Spouses of Transitioning Service Members. Unemployment compensation is a benefit your service member has earned so be sure to encourage your service member to apply.

Keep in mind that each service member will have a different set of circumstances surrounding his or her separation. Encourage your service member to visit the finance office on the nearest installation to understand his or her eligibility for separation pay and review the Stepping Beyond section of MySTeP to learn about unemployment compensation.



Steps to Consider

These "Steps to Consider" are not meant as a checklist. Use the suggestions to facilitate a discussion with your service member.

- Discuss the circumstances surrounding your service member's separation. This conversation will help you understand why your service member may or may not be eligible for separation pay.
- Encourage your service member to verify his or her separation status with the [local installation's](#) finance office and determine the amount of separation pay he or she may be entitled to receive if eligible.
- Review the [DFAS website](#) to further your research about separation payments and requirements for continued service obligations if your service member elects to receive separation pay.
- If applicable, accompany your service member to the meeting with a Ready Reserve Career Counselor or military recruiter to verify his or her eligibility to enter into the Reserve Component and the time commitment that will be required. Ask any questions you may have about reserve service. You can also review the video, Transitioning to the National Guard or Reserves: An Overview from a Family Perspective, to learn more.
- Unemployment compensation is a benefit your service member has *earned* so be sure to encourage your service member to apply. If you are working and have to leave your job due to your service member's separation, you may also be eligible for unemployment benefits. Review the MySTeP videos, Unemployment Compensation for Transitioning Service Members, and Unemployment Benefits for Spouses of Transitioning Service Members to learn more.



Notes



Locate a finance office: <https://installations.militaryonesource.mil/>

- ## Defense Finance and Accounting Services Resources



Notes

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Employment Assistance

- ## Transitioning from the Guard or Reserves

- Transitioning to the National Guard or Reserves: An Overview from a Family Perspective